

Financial Statement of the Mysore State for the official year 1912-13 ending 30th June 1913.

(Note.—Throughout the statement the figures are given, unless otherwise indicated, in thousands of rupees omitting 000.)

Preliminary Remarks.

The State budget for the year 1912-13, having received the final sanction of His Highness the Maharaja, is published herewith for general information together with this brief financial statement explaining its salient features.

2. The budget shows as usual under each detailed head of receipt or expenditure the figures relating to the accounts for the year 1910-11 as finally closed, those appertaining to the revised estimates for the year 1911-12, and the amounts provided for in the budget estimates for 1912-13. This statement is also divided into three sections dealing respectively with the figures relating to the three years.

Accounts, 1910-11.

3. The budget estimate of the year including the Cauvery power scheme provided for a surplus of 5,66; but in the actual result the surplus amounted to 24,02, as shown below:—

	Budget.	Actuals.	Difference.
Receipts.	225,98	246,73	+20,75
Expenditure	220,32	222,71	—2,39
..... Surplus ...	5,66	24,02	+18,36

This improvement was the result of an excess of 20,75 in the receipts diminished by an increase of 2,39 in the expenditure.

4. The variations under the several heads of accounts, both receipts and expenditure, and the causes which led to these are explained in detail in the Appropriation Report which was published with the *Mysore Gazette* dated 16th May 1912.

Revised Estimates, 1911-12.

5. The budget estimates for 1911-12 anticipated a revenue of 220,30 in the ordinary account against which the expenditure was expected to be 231,41 causing a deficit of 11,11. The transactions under the Cauvery power scheme were expected to bring in a revenue of 15,50 and involve an expenditure of 7,68, the result being a gain of 7,82. The effect of combining the two accounts was a net deficit of 3,29 and this was expected to be the result of the financial operations of the year taking all budget heads of revenue and expenditure into consideration.

6. As a matter of fact the result has been more favourable. Instead of the anticipated deficit of 3,29, the revised estimate for 1911-12, which has been carefully prepared and is not likely to differ much from the actuals, shows a surplus of 14,30. This change for the better, to the extent of 17,59, is the combined effect of the revenue being higher than anticipated in the budget forecast and the expenditure somewhat lower. The former cause contributes to the improvements to the extent of 14,00, the total revenue figure being revised from 235,80 to 249,80. The contribution of the expenditure side of the accounts to the favourable result is 3,59, the figure in the revised estimate being 235,50 against 239,09 in the budget estimates.

REVENUE.

7. We shall now examine, in some detail, the individual heads of account on the revenue side to find out how the total improvement of 14,00 on this side has arisen. An analysis of the figures discloses that it is due chiefly to the following variations:—

Increase—

Land Revenue	...	...	...	...	...	4,54
Forest	...	...	...	...	...	3,79
Excise	...	...	...	...	...	1,35
Stamps	...	...	...	...	...	1,05
Registration	...	...	...	...	...	35
Mining Royalty	...	...	...	...	...	1,62
Miscellaneous	...	...	...	...	...	57
Railways	...	...	...	...	...	2,49
Cauvery Power Scheme	...	...	...	...	...	1,14

Decrease—

Interest	...	...	...	...	...	2,79
Public Works	...	...	...	...	...	27

8. When we took the budget estimate under Land Revenue for 1911-12 at 102 lakhs we noticed that, though the greater part of the heavy suspensions of 1908-09 had been realized, the arrears outstanding in July 1911 were still considerable. We accordingly expected that, if the seasonal condition in all parts of the State turned out to be favourable, the outstandings would be reduced and the actual collections exceed the budget figure. The hope has been fulfilled to some extent. Though during the earlier period of its course the south-west monsoon of 1911 was not very favourable, and the agricultural prospects gave cause for some anxiety in August and September, the copious showers which began about the Dasara season changed the aspect of the situation. The result was that the land revenue collections during the last year, though slightly less than in 1910-11, were 4,54 in excess of the budget estimate.

9. The improvement under Forest is from 18,31 to 22,10. The variations under the several important sub-heads are as given below:—

	<i>Budget.</i>	<i>Revised.</i>
Sandalwood	10,25	12,61
Timber, etc., worked by Government agency	4,02	3,83
Timber, etc., worked by purchasers	3,85	5,39

The increase is chiefly under sandal as might be expected; but there was a satisfactory increase under timber also. The slight falling off under timber and other produce removed by Government agency is more than made up by the increase in receipts from produce removed by consumers or purchasers. This is due to the demand for standing timber being on the increase and the substitution to some extent of this mode of disposal for departmental extraction.

10. The excess under Excise is not the result of an increase in the number of shops. In fact the number of arrack and toddy shops has been reduced from 824 and 3,355 in 1909-10 to 757 and 3,274 respectively in 1911-12 and the "Jatra" shops have been reduced from 276 to 44 during the same period. The increase under this head is not considerable when compared with the magnitude of the revenue and is the result of small increase under each of the sub-heads. The case with stamps is different. Under this head the revised estimate comes to 9,15 against 8,10 in the budget. The course of this revenue during the last few years is shown below:—

1907-08	...	...	...	...	7,98
1908-09	...	...	...	...	8,48
1909-10	...	...	...	...	8,16
1910-11	...	...	...	...	8,26
1911-12 (Revised)	...	...	...	...	9,15

The remarkable rise in 1911-12 has taken place both under general stamps and court-fee stamps. The rise must be due to an increase in the number of civil suits and to increased activity in monetary transactions. The Registration revenue moves in sympathy with that from general stamps, and the increase under the latter head is reflected in the increased receipts under Registration which has been revised to 1,85 from 1,50 in the budget.

11. As regards Mining royalty, the revised figure is 19,18 against the budget estimate of 17,56. The increase is due to larger output of gold in the Kolar mines. The excess of 57 under the head Miscellaneous is under lapsed deposits and sale proceeds of sites in the Bangalore City extensions, chiefly in Malleswaram.

12. As regards Railways, the improvement in the net receipt is due to a marked rise in the gross earnings over the budget, viz., from 30,00 to 32,16, and a moderate saving in working expenses. The gross earnings rose both under coaching and goods. There was increased passenger traffic to Bombay and Delhi in connection with the Royal visit and the coronation durbar; there were the Arundaswami feast at Hubli and the Yamanur feast and the rush of pilgrims to the festivals at Nanjangud and Melkote; while in April and May the marriage season was specially auspicious and many a bridal party moving to their happy destinations over our lines brought about a welcome change in their earnings. In the matter of goods traffic, in the earlier part of the year, there was a large flow of rice and other food grains as well as oil seeds to the South Indian Railway from the Mysore system. The food grains went chiefly from Tumkur, Hindupur and Bangalore and the oil seeds chiefly from stations in the northern parts of the State. Large supplies of timber and general goods came to the Kolar gold mines from Shimoga and other places. In the latter half of the year cotton and cottonseeds moved freely from Davangere to Marmogoa, consignments of groundnuts passed from Hindupur side to Madras and salt was imported in large quantities from Bombay. The traffic in sugar and jaggery during this period was brisk and there were heavy bookings of sandalwood to Marmogoa harbour for shipment.

13. The only important heads on the receipt side which show a falling off from the budget are Interest and Public Works. In the case of Interest, the decrease is only apparent being due to the technical reason that the interest on some of the investments could not be realised till after the end of the year. As regards Public Works receipts, the falling off is due to less adjustments during the year of the price of water sold to the Kolar gold mines and to less realizations under water rates for Bangalore and Mysore cities.

EXPENDITURE.

14. We shall now proceed to examine the deviations from the budget under the various heads of expenditure in the revised estimates for 1911-12 which result in a net lapse of 3,59. Arranged according to group heads, the important differences are as shewn below:—

Increase—

Direct Demands on the Revenue	...	...	...	34
Public Works	...	...	...	6,12

Decrease—

Interest	...	...	...	39
Civil Departments	...	...	...	4,30
Miscellaneous Civil Charges	...	...	...	3,32
Army and Defence	...	...	...	54
Construction of Railways	...	...	...	97
Cauvery Power Scheme	...	...	...	24

15. Under the group *Direct Demands on the Revenue*, the charges consist of refunds and collection charges under Land Revenue, Forest, Excise, Stamps and Registration. The net increase under this group of 34 over the budget is caused by an excess expenditure of 1,00 under Refunds and 17 under Forests and small savings under all the other heads. The comparatively large excess under refunds was due entirely to the refund of excise revenue to inamdars during the year

being heavy on account of the settlement by Government of arrear claims. The more important cases settled were those relating to the Yelandur Jahgir involving a payment of nearly 61 and to the Sringeri Jahgir to which a payment of about 15 was made. As regards the excess over the budget in the case of Forest expenditure, the Conservator obtained an extra grant of 41 during the year chiefly for additional works under buildings, roads, fire protection and sandalwood extraction; and if this additional allotment be taken into account, the Forest expenditure shows a saving of 24 instead of an excess of 17. Of savings under other departments included under this head, those under Excise, Stamps and Registration are small and unimportant. The saving under Land Revenue amounted to 59 and was due chiefly to the post of Revenue Commissioner being vacant for some months of the year, and to the full scale of shekdars under the new system not having been appointed. The Revenue Survey department also contributed to the saving under Land Revenue to a material extent.

16. The excess in Public Works expenditure over the estimate as sanctioned at the beginning of the year is 6,12. But during the year an extra grant of 10,00 was sanctioned in connection with the Kannambadi reservoir project; and if this additional allotment is taken into consideration, the Public Works expenditure according to the revised estimates of 1911-12 would show a lapse of 3,88. Including the grant of 10 lakhs for the Kannambadi project, the total allotment for irrigation in the State budget during the year was 18,13 against which the expenditure was 12,19, a part of the difference being however reappropriated to civil works. One of the reasons for the surrender of grants under Irrigation and Buildings was the difficulty of procuring labour and contractors in other places owing to the commencement of the Cauvery reservoir project.

17. We will now examine the circumstances under which savings or lapses have occurred in respect of provisions made in the budget under some of the expenditure heads. The small lapse under the head *Interest* is due partly to interest on the State loans not having been drawn during the year to the full extent and partly to the amount paid as savings banks interest being less than anticipated. In the *Civil Departments* the budget provision of 7,56 under General Administration stands revised to 6,50. The reduction is due, to some extent, to savings under Tour Charges and Civil Secretariats, but chiefly to the adjustment during the year, by reduction of charges under Reception and Entertainment of Guests and debit to Palace, of a sum of about 78 which was spent in the first instance from the State treasury on the occasion of the marriage of His Highness the Yuvaraja. Under Courts of Law there has been practically no change, and the small decrease in Jail expenditure is under establishment and dieting charges in the State prisons. The excess under Police is due chiefly to the adjustment of the State's share of the English furlough allowances for two years of a former Inspector-General of Police.

18. Under Education there has been a considerable lapse and the budget provision of 11,79 has to be altered to 10,61 in the revised estimates. The appointment of Inspector-General was vacant for over ten months during the year 1911-12; a portion of the special grant for furniture and apparatus in Government colleges was surrendered by the department; the provision made for the equipment of laboratories in Government schools was not fully utilized during the year; the opening of the English training class in the Normal School at Mysore for which funds had been allotted was postponed; and numerous small allotments and portions of allotments relating to kindergarten and manual instruction, building grants, Book Depot and Educational library and museum do not appear to have been drawn. It is needless to add that most of the lapsed amounts have been provided again in the estimates of 1912-13.

19. Under Muzrai the small saving has been under Superintendence and Supplies and Services due respectively to part-time arrangements in respect of the appointment of Superintendent for some time and to the writing back to Palace of an expenditure of 5 paid out of the State treasury in connection with His Highness the Yuvaraja's marriage. Under Medical the saving as compared with the budget occurs chiefly under Medical Establishment, Hospitals and Dispensaries and Sanitation and Vaccination. The appointment of Senior Surgeon was held during the whole of the year by a local officer. Some savings also appear in the

pay and allowances of Sub-assistant surgeons owing to a considerable number of vacancies not having been filled up. No charges have as yet appeared in the civil books in respect of the provision made in the Medical budget for 1911-12 for the maternity hospital at Robertsonpet, but a sum of Rs. 10,000 paid towards acquiring the Coronation Building for locating this hospital is included in the public works accounts. The saving under Sanitation and Vaccination was due to the appointment of the Deputy Sanitary Commissioner being vacant and to some lapses under the grants for supplies and services under Public health laboratory and in the allotment for plague charges.

20. As regards charges connected with Scientific and Minor Departments, the difference of 1.01 between the budget and the revised estimates is almost completely explained by the treatment in the accounts of charges relating to the Economic Conference. A provision of 1.00 was made in the budget for the work of the Conference and the amount was included under this head. The revised estimate of Conference expenditure for 1911-12 is 42, and even this reduced amount has been transferred in the accounts to the head General Administration.

21. The saving under the group head *Miscellaneous* has been chiefly in respect of the provision which was made in the estimates for 1911-12 for the Mysore camp at Delhi on the occasion of the Coronation Durbar of His Majesty King-Emperor George V. A sum of seven lakhs was provided in the estimates to enable the State to take part in the historic event in a style befitting its position among the states of India. The actual expenditure against this grant was as follows:—

	Rs.
Accommodation and Ceremonial Camp	1,39,010
Food charges	32,417
Conveyance	1,16,377
Special clothing	2,194
Travelling allowance to guests	14,397
Military	90,322
Miscellaneous	32,653
Local Celebrations	10,401
Unadjusted advances	42,638
Indirect charges	13,143
Total	4,93,552

Some further charges are likely to come up for payment but the total of such items is not expected to exceed 50. As a part of the total arrived at above has, in accordance with recognized principles of classification of public charges, to be shown under the respective service heads, only the direct charges on the civil side amounting to 3,31 appear under this head. This makes the difference between the budget provision and the actual disbursements according to the revised under this head appear greater than it really is.

22. The direct expenditure incurred by the State on the occasion of the Durbar of 1903 and recorded under *Miscellaneous* was about 6,21. The corresponding figure on the occasion of the Durbar of 1911 when all charges are included is not likely to exceed 5,50. This favourable result is no doubt due to the experience gained in 1903 being useful on the present occasion. Careful estimates were prepared in time for all kinds of charges, and the bulk of the expenditure was carefully controlled and promptly accounted for by the Huzur Secretary to His Highness the Maharaja acting under the orders of the Dewan.

23. Under *Army* savings occur under some of the important sub-heads. Under Head Quarters the provision made for Assistant Secretary, Military branch of the General and Revenue Secretariat was saved. In the Local Service Cavalry and the Barr Infantry there were small savings under establishment. In respect of the Imperial Service Transport Corps, besides a small saving under establishment there was some reduction in the feed of ponies and a part of the grant for converting pony carts into bullock carts lapsed. Under Hessarghatta and Nadamavinapura grass farms a considerable amount was provided for the collection of farm produce, but the expenditure was less. Against these savings there is an excess over the budget on account of the military charges relating to the Delhi Durbar.

24. The lapse of 97 under Construction of Railways is the net result of two sets of transactions in opposite directions. The budget estimates provided for an outlay of 3,97 on capital works on open lines through the Madras and Southern Mahratta Railway Company. Out of this sum, according to the revised estimate, a sum of 2,59 has been utilised during the year resulting in a lapse of 1,38. Against this, however, has to be taken a charge of 41 on a work not contemplated in the budget. This work is the construction of two dining saloons for the use of His Highness the Maharaja, one on the metre gauge and the other on the standard gauge. The sum of 41 referred to above is a portion of the cost of the two saloons, the balance being payable on completion of the work during the current year. The net lapse under Construction of Railways therefore stands at 97 according to the revised estimate.

CAUVERY POWER SCHEME.

25. In bringing about the change for the better and turning the financial scale for the year from a deficit to a fair surplus, the Cauvery power scheme had a share though not a very large one. The receipts under this head were estimated in the budget at 15,50, but the revised estimates stand at 16,64; the expenditure was originally expected to come up to 7,68 but the figure has now been revised to 7,44. Bringing in 1,14 more of revenue and costing on the whole 24 less, the Cauvery power scheme has helped to improve the situation over the budget in 1911-12 to the extent of 1,38.

SUMMARY.

26. We may now sum up the net result of the revised estimates for 1911-12. The revenue for the year from all sources including the Cauvery power scheme stands at 249,80. Against this, the total expenditure under all the heads comes up to 235,50. The latter figure includes all expenditure of the State as also the usual appropriations, *viz.*, 2,00 for the Famine Reserve fund, 1,33 for the State loan sinking fund and 2,88 for the depreciation fund of the Cauvery power scheme. After meeting these appropriations and all charges incurred during the year, the accounts for 1911-12 according to the revised estimates leave a surplus of 14,30.

27. We also see that out of the improvement of 17,59 on the budget expectations, 16,21 was contributed by the ordinary heads and 1,38 by the Cauvery power scheme.

Budget Estimates, 1912-13.

28. From the consideration of the eventful year which has just rolled into the past, we now turn to our programme and our expectations for the financial year which has now begun to unfold. This year, even more than the one which we have left behind, is expected to be remarkable in many ways as regards progress and development; and this feature is written large in the estimates which are published herewith. The construction of the great reservoir at Kannambadi which was sanctioned and commenced last year, will be pushed on with vigour, and a provision of 20 lakhs has been made in the budget for this purpose. The work in hand which is estimated to cost 81 lakhs will, when completed, protect the present supply of power and enable us to generate additional power as required. It will also make the existing irrigation in the Cauvery valley surer and will provide for extension of irrigation to the extent of at least 25,000 acres in that area. Then there is a provision of 6 lakhs for adding a fourth installation to the Cauvery power works at Sivasamudram to increase its generating power by about 4,000 horse power. Again the year 1912-13 is likely to witness the revival of activity in railway construction within the State. The reports of preliminary work and surveys carried out in the preceding years are already in the hands of an Engineer-in-Chief for railway

construction ; and a special provision of 10 lakhs has been made in the budget, so that commencement of actual construction may not be delayed for want of provision of funds. The proposal for the construction of a line of electric tramway in Bangalore for linking together the several parts and extensions of the City and the Civil and Military Station has also made considerable progress, and a provision of 7 lakhs has been included in the estimates for 1912-13 so that the work may, if possible, be completed during the current year.

29. The items enumerated above aggregating 43 lakhs, taken by themselves, might be considered a remarkable programme of special work and improvement for a single year. But they do not, by any means, exhaust the special features of the budget for 1912-13. An extra grant of 2,60 has been allotted in the budget of the Education department for opening new schools and improving existing ones both for general and technical education. A grant of 1,46 has been provided for the work of the Economic Conference and its three committees. Besides these, numerous other grants of smaller magnitude have been provided for introducing improvements and starting new work in almost all the departments of the State. The more important among them will be noticed below under the appropriate heads.

30. For clearly bringing out the result of the financial operations of the State during any year, it has been the practice hitherto to consider the budget under two principal heads—the ordinary account and the Cauvery power scheme account. The same system will be continued this year ; but for making the situation as clear as possible, we shall in the first place regard the capital expenditure of 43 lakhs referred to in para 28 as separated from the heads to which they properly appertain and treated as special expenditure. Of course, in the budget estimates the items referred to above are included under the respective heads, and this fact should be kept in view when comparing the figures in the following paragraphs with the figures given in the budget.

31. On the ordinary account, the revenue for the year 1912-13 is estimated at 228,40. Against this the expenditure in the ordinary account is expected to be 227,08. This will leave a surplus of 1,32 in the ordinary account. Under Cauvery power scheme, the revenue is expected to be 16,20 and the expenditure 7,98, resulting in a surplus of 8,22. Combining the two accounts, we see that the total revenue of the State in the current year is estimated at 244,60 and the expenditure at 235,06, leaving a surplus of 9,54. The special expenditure of 43 lakhs, 37 lakhs under the ordinary account and 6 lakhs under the Cauvery power scheme, has not, however, been included in the above figures. Including this sum of 43 lakhs, the total expenditure estimate comes up to 278,06, and the surplus of 9,54 is converted into a deficit of 33,46.

REVENUE.

32. In a state like Mysore, as indeed in any other province or state in India, the work of estimating the revenues for a year, when we stand at its threshold, is to a great extent identical with the hazardous task of prophesying about the seasonal conditions. The results under the most important head on the credit side of our budget, *viz.*, Land Revenue, are in direct proportion to the quantity and equality of the rainfall, and this item forms so preponderant a part of our revenue system that a fluctuation in it to the extent of a small percentage practically decides the financial results of the year. Many other important sources of revenue, *viz.*, Excise, Railways, Assessed taxes, Stamp, etc., though showing occasional aberrations under peculiar circumstances, generally move in sympathy with the agricultural conditions which prevail. In this state of things, the only right course is to take into account the effect of the seasonal conditions, as far as they are known, on the agricultural prospect of the year, and assume average conditions, for the future, and to adopt such estimates as we may reasonably expect to realize on that basis.

33. The summer or *Mungar* rains of April and May 1912 were rather disappointing. The months from January to March are practically rainless in Mysore, the average of the last ten years for the quarter being about half an inch. The

mango showers of April and May are therefore awaited with great eagerness by the cultivators, and on an average about 1½ inches are received in April and about 4½ inches in May. These showers are very important to agriculture, for the soil gets very hard and dry during the three rainless months, and the welcome summer rain enables the raiyat to prepare the land for the following south-west monsoon. This work of preparation suffered to some extent this year as the rainfall was deficient in April and May, the total rainfall from 1st January to 25th May 1912 being 3·79 inches, against the average of 5·48 inches of the preceding ten years. The advent of the south-west monsoon improved the situation, though the rainfall continued to be somewhat below the average up to the third week of July 1912. On the 3rd August 1912 the total rainfall since the beginning of the calendar year was 23·28 inches against the decennial average of 20·56 and only 34 out of the 77 taluks and sub-taluks in the State reported any deficiency. Agricultural operations are everywhere in progress, and though want of rain is still being felt in parts of the Tumkur and Kolar districts, the prospects of agriculture in the State as a whole, with average south-west and north-east monsoons, may be regarded as fairly satisfactory.

Principal Heads of Revenue.

34. Under the circumstances explained in the foregoing paragraph, the estimate of Land Revenue collections during 1912-13 has been placed at 101·50 lakhs. This figure has been arrived at by applying the percentage of collections in average years to the estimated gross demand for the current year including the arrears. The collections under Land Revenue and the arrears left at the end of each year are shown below for the last ten years:—

			Collections.	Arrears.
1903-04	...	...	98,00	10,26
1904-05	...	...	96,64	12,13
1905-06	...	...	91,02	19,30
1906-07	...	...	100,31	18,68
1907-08	...	...	103,80	15,48
1908-09	...	...	89,16	24,61
1909-10	...	...	105,03	20,42
1910-11	...	...	106,79	15,55
1911-12 (Revised)	...	...	106,53	12,73 (Estimate)
1912-13 (Budget)	...	...	101,50	

It will be seen from these figures that the outstandings rose to a high figure in 1905-06 as the result of unfavourable agricultural conditions in that year and the two preceding years. They were somewhat reduced in 1906-07 and 1907-08, but before they could be reduced to the level of 1903-04, the scarcity of 1908-09 intervened. The arrears once again bounded up and stood at 24,61 at the end of 1908-09. Since then, thanks to a series of favourable years, the outstandings are steadily going down year after year. It will be noticed, however, that there is yet considerable scope for reduction in the balance left uncollected. The outstandings in Mysore were below 10 lakhs prior to 1903-04 and in 1899-1900 were below 8 lakhs; and even this last figure appears high when compared with the standard of the neighbouring British province of Madras. If the period of agricultural prosperity which began in 1909-10 continues unbroken through the current year, it should be possible to collect a further instalment of the arrears and to reduce the outstandings to the figures reached before or even to a lower level.

35. The actual collection of Excise revenue in 1910-11 amounted to 41,99 and the revised for 1911-12, which is not likely to differ much from the actuals, amounts to 42,85. The figure adopted for the budget for the current year is 42 lakhs and it follows with fair closeness the realization of the two preceding years. If we leave out the exceptional year 1908-09 in which the Excise revenue amounted to 43,63, the figure under this head since 1907-08 has oscillated within a moderate range of the normal of 42 lakhs.

36. The revenue from Forests during the last few years has shown considerable fluctuation. Nearly sixty per cent of this revenue is derived from a single product, *viz.*, sandalwood, and such fluctuation is therefore inevitable. From 18,03 and 18,59 in 1908-09 and 1909-10 the total revenue under Forests rose to 20,95 and 22,10 respectively in 1910-11 and 1911-12, the latter figure being taken from the revised estimates of the year. The realizations during the last two years might at first sight seem to justify a higher estimate for the current year, but great caution is necessary in estimating a revenue subject to such sudden rise and fall. For example, in 1907-08 the Forest revenue of the State reached the record figure of 22,77, but in the very next year the revenue dropped to 18,03 which represents a falling off of nearly 5 lakhs. The average of a number of years is in such cases a better and safer guide for financial purposes than the figures for the year immediately preceding. On this consideration, the forest revenue for the year 1912-13 has been taken at 18,63 after a detailed examination of the several items. The estimates in respect of the other heads of revenue under this group, *viz.*, Assessed Taxes, Stamps and Registration have been taken at the usual figures and call for no remarks.

Mining Royalty and other Heads of Revenue.

37. Of the other heads of revenue, in the case of *Mining Royalty and Leases* the budget estimate for 1911-12 has been repeated in the current year, for there are as yet no decided indications of any upward or downward variation. Under *Interest* the estimate of 11,50 appears unusually large, and this is due partly to larger realizations on investments expected during the year and partly to the collection at the beginning of the current year of a part of the interest due last year.

38. The group head *Receipts by Civil Departments* is not one under which any important variation in the estimates can be expected. The receipts under Courts of Law, Jails and Police are practically stationary. The same remark applies to receipts under the head Education the bulk of which is derived from college and school fees. The receipts under Medical consist chiefly of contributions on account of Local Fund dispensaries and fluctuate to some extent from year to year according to the progress of adjustment. In connection with Scientific and Minor Departments the income under the head Veterinary and Stallion receipts is expected to be somewhat higher than usual during the current year in consequence of the sale of amrut mahal bulls to the Imperial Service Transport Corps.

39. The estimates under the group head *Miscellaneous* are at the normal level and require no explanation. In estimating the receipts of the Military department the larger realizations expected from the Kunigal stud farm are taken into account, but no receipts could be shown for sale proceeds of cast horses and ponies for want of definite information. Under *Public Works*, the chief sources of receipt are the sale of water to the Kolar gold mines, the excess water rates realized in Mysore and Bangalore cities and miscellaneous public works receipts such as rents, etc. The estimate for the current year under the first and third heads is the same as the estimate of last year, but under the second head it is somewhat less.

Railways.

40. The receipts under the head State Railways—Revenue account, *i.e.*, the net receipts from railways after deducting working expenses and the Company's share of profit have been taken at 11,44 in the budget estimates for 1912-13. The figure has been arrived at thus:—

Gross receipts	...	...	...	...	30,00
Working expenses, etc.	...	...	...	...	18,56
Net receipt shown on the revenue side of the budget	...	...	...	...	11,44

As regards gross receipts it may be stated that only in one year during the last five years did the figure fall below 30 lakhs, and the average for these five years,

taking the revised estimate figure for 1911-12, amounts to about 30,60. The figure adopted for gross receipts is therefore quite fair on the basis of a year of average agricultural prospects and normal trade conditions. As regards working expenses, it is observed that the average percentage of working expenses to gross receipts in the Madras and Southern Mahratta system during the last five years is about 59.8 per cent. On the basis of a percentage of 60 the working expenses would come to 18,00. Deducting this and a further sum of about 56 on account of share of net receipts payable to the working company, the net receipts come to 11,44.

41. Against this net receipt of 11,44 we have to set off in the first place the guaranteed interest on the sterling railway loan, amounting to 7,20. Then we have the charges shown under 30A. Miscellaneous railway expenditure which include expenditure incurred by the Mysore Government for direction and accounts, maintenance of saloon carriages, etc. In 1912-13 these charges are estimated to aggregate to 22. Last of all, we have the capital expenditure on open lines included under 34. Construction of Railways. Such expenditure provided for in the estimates for 1912-13 amounts to 3,25.

42. The more important items of capital expenditure on open lines provided for in the estimates of the current year are mentioned below:—

Name of work.	Provision.
<i>Metre gauge.</i>	Rs.
Substitution of 60 lbs. rails for the existing 41½ lbs. ones for 100 miles on the Mysore State Railways	57,600
Constructing a new bridge over the Shimsha river	54,000
Quarters for European and Indian drivers at Bangalore	21,500
Signalling arrangements at the road side stations between Harihar and Bangalore	73,000
Strengthening bridges on the Mysore State Railway	5,000
<i>Broad gauge.</i>	
Signalling arrangements and alterations to sidings on the Kolar Gold Fields lines	15,000

Taking into account the estimated net receipt referred to in para 40 and the probable charges enumerated in para 41, the net effect of the ordinary railway transactions during the year 1912-13 on the cash balance is expected to be a small addition of 77.

43. Under the head 34. Construction of Railways, besides the ordinary provision for necessary capital expenditure on open lines, a special provision of 10 lakhs has, as already mentioned, been made for construction of new lines.

EXPENDITURE.

44. We now come to the consideration of the expenditure side of the budget for 1912-13. The total charges provided for in the estimates amount to 278,06. The first point that strikes one in this connection is that the expenditure for the current year as now estimated is far in excess of the expenditure in any other year. The highest expenditure figures recorded in the books of the Mysore Government relate to the following years:—

1899-00	221,17
1903-04	220,08
1905-06	*231,40
1906-07	*231,79
1911-12 (Revised)	235,50
1912-13 (Budget)	278,06

It will thus be seen that the expenditure figure for 1912-13 exceeds by 40 to 50 lakhs the highest expenditure in any previous year.

* These figures include the Railway working expenses in accordance with the system of classification then adopted.

45. The reason of this will be clear from what has been generally stated in para 31 above. The unbroken prosperity of the last three years has made it possible for Government to deal with the demands of almost all the spending departments in a liberal spirit and special grants have been sanctioned in many cases for beneficial changes and new operations. On the top of such a liberal and progressive budget, the special expenditure of 43 lakhs referred to in para 28 has been superposed. The result is as stated above a budget with the highest expenditure on record and an apparent deficit of 33,46.

Direct Demands on the Revenue.

46. We shall now proceed to review briefly the expenditure provided in the estimates for 1912-13 in respect of the more important heads. Under *Refunds and Draw-backs* the normal provision is made in respect of refunds of Land Revenue, Forests, Stamps and Registration, but in respect of Excise a specially large provision of 50 has been made in view of the fact that some heavy bills for the refund of arrack and toddy revenue to certain proprietors of inams and jahgirs may come up for settlement during the year. The provision of 19,30 for *Land Revenue* charges is on the usual scale and requires no remark except that the provision for travelling allowance to taluk establishments has been raised from 24, the provision made each year since 1909-10, to 30. In the *Forest* department provision has been made for conservancy and works as well as for establishments according to the ordinary standard. The raiyats in some parts of the Shimoga district have been complaining of damages caused by wild elephants for some time past. Inexpensive palliative measures to check the ravages of these animals have not proved successful. Government have therefore sanctioned the capture of elephants by khedda operations in Shimoga district during the current year, and a provision of 10 has been made in the Forest budget for the purpose.

47. The provision made under *Excise* is normal. Under *Stamps* special provision has been made for dies, plates and machinery for the manufacture of stamps on improved lines. The cost of manufacturing stamped copying sheets for use in civil and criminal courts has also been included. The estimate under *Registration* has slightly risen owing to normal expansion of the work of the department. The provision made for charges against mining revenue is higher than the revised estimate for the last year, and this is due to the strengthening of the police force on the Kolar gold fields at an annual cost of 8.

Interest.

48. The head *Interest on ordinary debt* provides for the payment of all the interest on the State loan of 1906-07 that will fall due during the year and the arrears of interest on the loan of 1882 which may be claimed. The figure under *Interest on other obligations* consists of interest payable on Government savings banks, on endowment funds and on the Mysore State Life Insurance fund. The expenditure under the last two heads has a natural tendency to rise year by year and this upward course is discernible in the estimates for 1912-13. The amount paid as interest on savings banks deposits fluctuates with the amount of deposits. The standard of expenditure under this head, which stood at 2,86 in 1905-06 before the imposition of annual and aggregate limits in respect of individual accounts, has now fallen by over three quarters of a lakh, the provision for the current year being 2,05. The only item under the head *Profit or Loss* against which figures ordinarily appear is loss on investments. This loss which was 11 in 1908-09 has been steadily reduced year after year and stands in the budget for 1912-13 at 3.

Civil Departments.

49. The expenditure under the head General Administration in the budget estimates for 1912-13 is 9,06 against the revised estimate, 6,50 of the previous year.

The difference is due chiefly to the following reasons. The expenditure on account of reception and entertainment of guests in the revised estimates is about a lakh less than usual owing to the adjustment referred to in para 17. Also the expenditure connected with the Economic Conference in 1911-12 included in the revised is only 42, while the provision made for the working of the conference during 1912-13 is 1,46. The activities of the conference for which the grant has been sanctioned are to include among other things:—

- (a) Investigation of special industries by Superintendents and Assistant Superintendents specially appointed.
- (b) General Industrial Survey.
- (c) Experiments, demonstrations and consultation with experts on industrial and agricultural subjects.
- (d) Preparation and publication of bulletins.

50. Under *Law and Justice—Courts of Law*, the only noticeable divergence from the revised estimates of last year is the increase under Civil and Sessions Court. This is because the Court of District and Sessions Judge, Bangalore Division, came into existence during the last year; and while the figures for 1911-12 include only charges for a part of the year, the cost for the whole year is included in the current year's estimates. Under *Jails* there are special provisions for introducing khaki weaving industry in the Bangalore Central Jail and also for machinery and plant for manufacture of weights and measures in the same Jail in accordance with the provision of Mysore Regulation III of 1902. As regards the *Police* department, the provision for strengthening the Kolar gold fields force has already been referred to. The cost of a special police force to be stationed at the site of the Kannambadi reservoir works has been included. Provision has also been made for increasing the pay of police constables in Bangalore and Mysore cities and for establishing jui-jitsu training classes at all the district headquarters for members of the police force.

Education.

51. The expenditure under *Education* in the State budget has steadily increased during the last few years. The expenditure in 1910-11 was 10,53 and the provision made in the budget estimates for 1911-12 was 11,79 out of which about 1,18 is likely to lapse. For the current year the total grant from State funds for Education comes to 14,47. As regards the colleges, provision has been made for a professorship in the natural sciences with Botany as chief subject for the Central college, and funds have been allotted for new laboratory apparatus and appliances. The contingent grant of the college has also been raised to meet the charges of electric light and power installation. For the Maharaja's college, Mysore, provision has been made for telugu teaching and a special grant has been included for books and furniture. The special grants made in respect of high schools consist of a general allotment for library books and appliances for science teaching and a special provision for strengthening the Bangalore high school necessitated by its removal to the fine and commodious buildings near the Central College and its separation from the Anglo-vernacular section. As regards Anglo-vernacular and primary schools, besides the usual additions to the staff which are sanctioned every year with the increase in the number of pupils, provision has been made for an additional assistant deputy inspector of Kannada schools for the Mysore district and an extra grant of 10 has been allotted for books and maps to be supplied to schools. Funds have also been included in the budget for opening an English training class in the Normal school at Mysore for training teachers for Anglo-vernacular schools. Provision has, at the same time, been made for engaging substitutes for male and female teachers deputed to undergo training in the Normal school, Mysore, and the Maharani's college, respectively, so that the deputations may be freely made and as many teachers trained as possible. One feature of the State education budget for some years past has been a large grant-in-aid to the Village school fund for improving and extending primary education. In the budget for 1912-13 this grant stands at 67 against 62 in the previous year.

52. The items enumerated above mostly represent special expenditure provided this year for the improvement and development of existing institutions. Including them the grant for education would stand at 11,87 the highest figure in any year excepting 1907-08 in which year the expenditure under Education was 13,52 owing to the inclusion in it of the grant of 5 lakhs to the Indian Institute of Science. Neglecting this item as quite exceptional, the ordinary grant of 11,87 for the current year may be said to be the largest on record. In addition to this however there is a special grant of 2,60 in the estimates of the Education department for 1912-13 as shown below :—

	Rs.
Opening new schools and improving existing ones ...	1,00,000
Village school buildings ...	1,00,000
For starting work in the Chamarajendra Technical Institute in Mysore and for promoting technical education in the State generally ...	60,000
Total ...	2,60,000

This raises the total grant for education in the State budget to 14, 47. It may be here mentioned that the Village school fund budget, the aggregate expenditure provided in which is Rs. 3,81,207, contains a provision of Rs. 50,000 for village school buildings. If that amount and the special grant of one lakh referred to above be properly utilized during the year, substantial improvement may be expected in the matter of village school buildings in many parts of the State.

Muzrai, Medical and Scientific Departments.

53. Under *Muzrai* a provision of 10 has been made for repair and restoration of temples, chattrams and other muzrai institutions. A building grant of 5 to the Srinivasamandiram orphanage at Bangalore has also been included. Under *Medical* the increased rate of pay of Sub-assistant surgeons sanctioned in November 1911, has necessitated a provision of 1,15 against the revised estimate for 1911-12 amounting to 90, and actuals for 1910-11 aggregating 87. The formation of the Public Health Institute having been sanctioned by amalgamation of the chemical and bacteriological laboratories, a special provision for library and apparatus of the institute has been included. Funds have been provided for the training of sanitary and assistant sanitary inspectors by starting a sanitary school. Malnad allowance of vaccinators and twelve additional scholarships for Mysore students studying in the medical school at Vizagapatam have also been included in the medical budget. On the whole there will be during the year 53 medical scholarship-holders studying for sub-assistant surgeon's certificates in Indian institutions outside the state and ten studying medicine for a university degree in India. Besides these there are two Damodar dass scholars specializing in branches of the medical science in England.

54. The direct expenditure from State funds for the prevention and suppression of the plague since its advent in 1896-97; to end of 1911-12, aggregates about 24,85. Besides this, expenditure was also incurred from time to time from municipal funds to combat the ravages of the disease. It was, however, not till about the close of last year that the respective shares of charges in connection with plague to be borne by the state and the local bodies were fixed on a definite and satisfactory basis. Under the Municipal Regulations, municipal councils are required to make reasonable provision for taking such measures as may be required to prevent the outbreak or to suppress and prevent the recurrence of dangerous diseases, and under the Local Boards Regulation, one of the duties of the district boards is to take measures likely to promote the health, comfort, convenience, interest and welfare of the public. It was, therefore, decided last year that ordinarily charges for the suppression and prevention of plague should be borne by the local bodies concerned. One effect of this resolution might be a reduction in the State grant during the current year for plague charges. In view, however, of the fact that, this grievous infliction still prevails in the state, the Government have thought it

necessary to repeat the usual grant of 50 in the budget for 1912-13, to supplement the efforts of the local bodies whenever necessary and ensure prompt measures being taken in all cases of outbreak.

55. Under *Scientific and Minor Departments* the most important special item is the provision of 25 for starting an agricultural school. Remedial measures against the jola grasshopper, purchase of a power sugarcane crushing mill for demonstration purposes and additions to the establishment of the Hebbal experimental farm are some of the other items included. Under Parks and gardens a special grant has been allotted for the improvement of the Lal-Bagh and the Cubbon Park in Bangalore. Provision has also been made for strengthening the establishment under the Registrar of co-operative societies necessitated by the rapid increase in the number of such societies in all the districts of the state.

Miscellaneous.

56. Under *Stationery and Printing* the normal expansion of work in all departments has necessitated an increase in the grant for the stationery depot. A provision of 9 is also included to meet the cost of deputation of two press probationers to England to undergo practical training in the several branches of printing and allied arts. The special items under the head *Miscellaneous* include a grant of 5 for sanitary improvements in Seringapatam chiefly in the direction of filling up and clearing the breeding grounds of mosquitoes and a provision for extending the period of service of the Inspector of coffee estates. An allotment of 10 has also been made as the contribution of the State to the memorial to be raised in Bangalore to His late Majesty Edward VII, King-Emperor of India.

Military.

57. Under Military there is provision of 16 for purchase of rifles for the Barr regiments and funds have also been allotted for purchase of tents for the Imperial Service Transport Corps and also for the Local Service Regiments and the Infantry. The purchase of a fire engine for protecting the hay stacks belonging to the Imperial Service Regiment has also been provided for. The portion of the grant for converting pony carts into bullock carts which lapsed during the last year, *viz.*, 12, has been reallotted under Imperial Service Transport Corps. Provisions aggregating 32 have also been included under the same head for purchase and hire of transport bullocks.

Public Works.

58. The State grant for Public Works has been fixed for the current year at 30 lakhs and out of this 29, 47 has been allotted for Irrigation and Civil Works and 53 for Military Works. The following is a list of important public works for which allotments have been made in the current year. The allotments constitute in most cases only a small part of the total estimate for each work :—

Names of works	Grant for 1912-13. Rs.
1. The Marikanave Project	38,000
2. Improving Mandigere Channel	6,000
3. Improving Hemagiri Channel	6,000
4. Improving South Channel, Sriramadewaru Dam	20,000
5. Constructing a tank across the Maralwadi Stream in the Kankanhalli Taluk	45,000
6. Constructing a tank across the Vadli Stream in the Hunsur Taluk	20,000
7. Constructing a new tank at Sowlanga	5,000
8. Feeding the tanks in the Tarikere Valley	10,000
9. Constructing a new Taluk Cutcherry at Sidlaghatta	5,000
10. Constructing a new Taluk Cutcherry at Honnali	15,000

Names of works	Grant for 1912-13. Rs.
11. Constructing Chemical Laboratory in the Central College, Bangalore	50,000
12. Constructing Chamarajendra Technical Institute at Mysore	40,000
13. Constructing Police Superintendent's Office in the Fort, Bangalore	15,000
14. Constructing quarters for the Police at Ooregum	9,500
15. Constructing Minto Ophthalmic Hospital, Bangalore	41,000
16. Improving the Coronation Building at Robertsonpet for the Maternity Hospital to be newly opened	10,000
17. Improving the General Hospital at Mysore	30,000
18. Improving the Workshop attached to the Water Supply Division	7,000
19. Palace reconstruction at Mysore	70,000
20. Constructing additional blocks to the new Palace, Mysore	2,00,000
21. The Malleswaram Extension of Bangalore City	10,000
22. Improvements to the Mysore City Water Works	50,000
23. The Basavangudi Extension of Bangalore City	18,000
24. Constructing marble canopy over the Statue of His Highness the late Maharaja of Mysore	45,000
25. Constructing new Sandal Koti at Shimoga	3,000
26. Compensation for lands taken up for the enlargement of water margin of Chamarajendra Water Works	4,000

It will be seen that out of the sum of 29,47 allotted for Irrigation and Civil works, 8,81 is for maintenance and repairs, 6,19 for establishments and tools and plant and 14,47 for original works. Taking by major heads, the figures are 7,85 for Irrigation major and minor and 21,62 for Buildings, Communications and Public improvements. Besides the items enumerated in the list given above, the budget includes an allotment of 20 lakhs for the Kannambadi reservoir and a provision of 7 lakhs for carrying out the Bangalore Electric Tramway project.

CAUVERY POWER SCHEME.

59. The total revenue expected during 1912-13, from the four divisions under this head, viz., Kolar gold fields, Bangalore city power and lighting, Bangalore civil and military station and Mysore city is 16,20. Against this the ordinary charges amount to 7,98 which include 4,23 on account of working expenses, 2,89 for depreciation and 86 in respect of capital expenditure. The excess of receipt over expenditure in this account therefore amounts to 8,22. If the capital outlay on the fourth installation which is proposed to be carried out during the current year at a cost of 6 lakhs be taken into account, the total outlay in this department in 1912-13 will be 13,98 and the excess of revenue over expenditure 2,22.

60. The more important items of capital work in connection with the existing installations for which provision has been included in the budget are:—

	Rs.	Rs.
1. Equipment of Transmission Line with aluminium lightning arresters—		
Bangalore	7,500	
Mysore	9,500	17,000
2. Extension of interior Power and Lighting—		
Bangalore City	12,000	
Bangalore Cantonment	18,000	
Mysore	8,000	38,000
3. Constructing cooly lines at Sivasamudram		17,000
4. Constructing quarters for Assistant Chief Inspector and Telephone clerk		3,000
5. Extension of the Chief Electrical Engineer's Office building for Bangalore Superintendent's Office, Demonstration Room and Library		11,000
		<u>86,000</u>

LOCAL FUNDS.

61. The several local funds materially supplement the state fund expenditure in many directions specially under public works, sanitation, medical relief and education. The following statement shows the opening balance and the estimated receipts and expenditure of these funds during the year 1912-13:—

Name of fund	Estimated balance on 1st July 1912	Estimated receipts 1912-13	Total	Estimated expenditure for 1912-13	Estimated balance on 30th June 1913
Local Funds General	1,52,480	1,85,420	3,37,900	1,77,003	1,60,897
District Funds	3,03,234	8,50,606	11,53,840	9,62,800	1,91,040
Municipal Funds	5,85,448	9,26,100	15,11,548	9,99,177	5,12,371
Village School Fund	24,797	3,40,162	3,64,959	3,81,207	—16,248*
Irrigation Cess Fund	1,41,803	2,62,100	4,03,903	2,75,000	1,28,903

* Excluding invested balance of Rs. 1,50,000.

62. The total expenditure from the several funds enumerated above amounts to 27,95. Of this roughly speaking 12,91 is for public works, 4,90 for education and 4,90 for medical relief and sanitation. It has to be mentioned however that about 1,02 of the expenditure of Local Funds on medical relief and sanitation is shown in the state budget as contribution receipts under 20. Medical and about 67 out of the state expenditure under 18: Education is shown as a receipt in the budget of the Village school fund. In this way the state budget and the local funds budgets overlap each other to some extent and these contribution items have to be allowed for in calculating the total expenditure in any department by adding the figures of the state and the local fund budgets.

63. The receipts under district funds are expected to be 8,51 and the expenditure 9,63, i.e., 1,12 in excess of the receipts. This amount will of course be drawn from the opening balance. Similarly the receipts under municipal funds are estimated at 9,26 and the expenditure at 9,99, the difference of 73 being drawn from the balance. In the case of the Village school fund also the expenditure is expected to exceed the receipts by about 41. The Irrigation cess fund shows the same feature, the reduction in the balance amounting in this case to about 13. It is thus seen that, in the case of all the local funds referred to in the statement in para 61 with the single exception of the Local funds general, the expenditure provided for is considerably in excess of the receipts and a reduction in the balance at the credit of the funds is anticipated.

64. As regards district funds the excess of proposed outlay over the expected income is chiefly due to increased grants for public works and for additional midwives and also for conservancy charges in unions newly formed. In the case of the municipal funds comparatively large provision for expenditure is made in the Bangalore City and the districts of Tumkur, Hassan and Kadur, and is due chiefly to large grants for public works under buildings and water-supply. The excess of expenditure over income in the village school fund budget is due, as in previous years, to the usual provision of Rs. 50,000 for improved village school buildings having been repeated in the budget for 1912-13. The increase in the irrigation cess fund budget is small and is due to provision having been made for various useful minor works.

WAYS AND MEANS.

65. In laying out the financial programme of a year in which the disbursement side of the budget is heavier than the receipt side by more than one-third of a crore,

the question of ways and means would require careful consideration. Fortunately, on the present occasion the cash balances are strong enough to meet all requirements, and no special operations will be necessary during the current year to increase the amount of cash at the disposal of Government. The cash balance in the state treasuries and with the state bankers in India and in England on 1st July 1912 was 116.95 lakhs. This was about 30 lakhs in excess of the amount required to carry us to the end of January 1913, taking all the exceptional circumstances of the present year into account. From February onwards to the end of the financial year, the important items of revenue come in and fill the treasuries, the land revenue alone flowing in at the rate of about 20 lakhs a month. It will thus be seen that, as far as the present financial year is concerned, the State has ample ready cash in the treasuries to be able to meet all demands on it with ease and that it will not be necessary to touch any part of its investments.

Conclusion.

66. The accounts for 1908-09 which was a year of severe scarcity in many parts of the State left no surplus or deficit, the revenues on the one hand and the expenditure and appropriations on the other balancing each other. Since then the State has been blessed with a series of fairly prosperous years, and the accounts for 1909-10 and 1910-11 and the revised estimates for 1911-12 show surpluses of 21.01, 24.02 and 14.30 respectively. The net receipts from mining and other attendant sources of revenue during these four years amount to 97.66. The aggregate surplus of the last four years amounting to 59.33, therefore, shows that in years of prosperity a part of the fortuitous income of the state from mining and attendant sources can be and has been saved. A slight consideration of the nature of the mining and attendant revenues will show that it would not be right to use it up wholly for the benefit of the present generation by increase of ordinary expenditure under the service heads or by relief in the matter of taxation. Moreover if the ordinary scale of expenditure in the state is based on the present standard of revenue including the windfalls, it will be difficult to escape embarrassment when the revenues begin to show signs of shrinkage. In fact all considerations tend to show that the fairest and the safest policy in respect of the mining and attendant revenues is to save the bulk of such receipts and invest the amount in such well-considered schemes as will permanently improve the material and moral condition of the people benefiting the present as well as the future generations.

67. One of the best methods of such investment is the undertaking of suitable schemes of irrigation. Another useful channel of employing such money is the opening up of the country by railways and other means of communication. Expenditure of money for raising the standard of the country in matters like industrial and agricultural development and the spread of education should also be regarded as investment of the most beneficial and fruitful kind from which the generations to come will derive as much benefit as those of the present time. The special expenditure of 43 lakhs referred to in para 28, the special grants for education referred to in para 52 and the provision for the working of the Economic conference and its committees are all instances of legitimate outlay of this kind from the savings in the fortuitous revenues.

68. When schemes or projects, which are of large magnitude in comparison with the savings of any particular year have to be carried out from accumulated surpluses, it is neither convenient nor necessary to aim at a balance in the financial operations of individual years taken by themselves. If no financial risk is to be undertaken, the resources necessary for carrying through a large scheme must be in view before it is put in hand. The high savings of the preceding years and the large excess expenditure contemplated in the current year are not therefore indications of any change of policy or of any disturbance in the financial prosperity of the State. They represent the working details of a careful policy conceived in accordance with recognized principles of finance.

BANGALORE,
5th August 1912.

J. S. CHAKRAVARTI,
Financial Secretary to Government.